

**ANALYSIS OF ACTUAL LIBERALISATION VERSUS
QUAD MEMBERS' GATS COMMITMENTS AND OFFERS: FOCUS ON
A) MODE 1 AND B) TOURISM AND TRAVEL RELATED SERVICES**

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I. INTRODUCTION

1. This note is the second of a series on assessing the actual or current level of trade liberalisation in the Quad members (Canada, European Communities, Japan and the United States) of select modes and sectors compared with their General Agreement on Trade in Services (GATS) commitments and initial offers.
2. This note is focused on two areas: a) mode 1 or cross-border supply of trade in services, and b) the tourism and travel related services sector. The goal of this exercise is to assess whether GATS commitments made by a few of the most developed service economies, i.e. Quad members, can be considered “weak”, below actual levels of liberalisation and occurring outside of the WTO GATS regime. This note may prove to be timely in light of the recent calls by developed countries for initial offers as soon as possible and revised offers by May 2005, as it shows that GATS commitments and initial offers of the Quad members in key areas of interest to developing countries and least developed

countries (LDCs) continue to remain cautious and bound below actual levels of liberalisation.

3. From this assessment, developing countries and LDCs can take away three main messages. Firstly, calls by developed countries for deep liberalisation commitments or even binding of actual liberalisation should be taken with caution – since developed countries themselves have been cautious about committing at the requested levels. Secondly, in the same way that the Quad members are selective in their commitments under GATS, developing countries and LDCs are arguably more justified to liberalise with greater caution and careful selection. Thirdly, there is room for improvement within the GATS commitments and initial offers of the Quad members and developing countries and LDCs may utilise this as a condition or negotiating basis for offering further market access.
4. The paper is divided into five sections. In addition to the introduction, section two provides a background into the characteristics and trends of liberalisation in mode 1 and the tourism sector. Section three provides the analysis of actual liberalisation versus GATS commitments and offers for mode 1. Section four provides the same for the tourism and travel related services sector. Section five concludes this note and is followed by two tables that present a selection of GATS commitments and offers versus actual levels of liberalisation for mode 1 and the tourism sector respectively. The tables hope to show instances where Quad members are engaged in higher levels of liberalisation than what is committed to or offered.
5. This note does not aim to provide an exhaustive amount of evidence to show that Quad member countries have bound below actual levels of liberalisation. Rather, it aims to show enough instances that helps illustrate that despite possessing the capacity to commit to higher levels of liberalisation, Quad members have instead chosen to bind commitments below actual levels of liberalisation and make cautious initial offers.

II. BACKGROUND

6. Developing countries and LDCs are to mutually benefit from the GATS negotiations alongside developed countries. In order for such benefits to occur, developed countries (particularly the Quad members) must provide valuable market access in the areas of export interest to developing countries and LDCs, such as mode 1 and tourism services. However, commitments and offers by Quad members in these two areas have been below actual levels of their liberalisation.
7. Higher actual levels of liberalisation in mode 1 and tourism services is occurring either through domestic legislation already in place and not yet bound within GATS or through bilateral and regional trade agreements.

III. MODE 1

8. With advancing technologies and resulting reductions in costs, some developing countries are projected to increase their capacity and competitiveness in cross border supply of trade in services. Major export markets for developing countries, namely the Quad Members, however, have in place GATS limitations to mode 1 commitments. In general, these scheduled limitations are in the forms of commercial presence and/or residency requirements, entry fees, licensing procedures, quotas, and limited access to distribution networks and marketing/advertising opportunities.¹
9. These scheduled limitations are not always evident in cross border supply of trade in services that occurs through domestic legislation or trade arrangements independent of the GATS regime. Thus, the discussion below examines each Quad member's level of actual liberalisation compared with their GATS commitments and initial offers. It aims to show, where possible, instances where a Quad member is engaging in a higher level of liberalisation in mode 1 than is committed to in GATS.

1. *Canada*

10. Of the Quad member countries, Canada has the least number of mode 1 limitations. The most common limitations are residency and commercial presence requirements. In addition to scheduled limitations, Canada has not committed to certain sectors and sub-sectors, which have the potential for offering beneficial market access to developing countries via mode 1. These include medical and dental services, audiovisual services, and advertising services (which have implications for tourism services).²
11. In several sectors, such as accounting, auditing and bookkeeping and engineering services. Canada is engaged in trade liberalisation beyond its GATS commitments (and initial offers) through its commitments under the North American Free Trade Agreement (NAFTA) whereby commercial presence requirements are not allowed for cross border supply of services.
12. With regards to its residency requirement and other limitations on its commitments for professional services, NAFTA again aims to go beyond GATS by mandating a phase-out of any citizenship or permanent residency requirement for the provision of licenses and certifications.

¹ Hoeckman, B. and Braga, P. *Protection and Trade in Services*, Policy Research Working Paper, World Bank, April 1997.

² UNCTAD (2002) *Services Performance in Developing Countries : Elements of the Assessment*.

13. Despite not committing to health services, Canada does not have in place legislation prohibiting cross border trade in health services (or e-health services).³

14. Canada has not committed to audiovisual services in GATS, which is in line with Canada's cultural diversity policy objectives. However, Canada does import foreign broadcasting services and according to its latest Trade Policy Review Mechanism report there were some 94 foreign programming services available to Canadian distributors at the end of 2002.⁴

2. *European Communities*

15. Commitments and initial offers on sectors and sub-sectors vary among the European Communities (EC) Member states. For example, there are several sectors and sub-sectors whereby only one or a small number of Member states have made limited or no commitments/initial offers and other sectors and sub-sectors where all or a majority of EC Member states have made limited or no commitments/initial offers. The discussion below will only cover those sectors and sub-sectors of interest to developing countries where at least a majority of EC Member states have made limited or no commitments/initial offers in.

16. The EC has not committed to audiovisual services. However, the EC does provide for a large amount of cross border market entry of such services. For example, the US surpassed domestic EC audiovisual service production for the year 2000 (with US imports amounting to USD\$8 billion).⁵ The EC also has in place partnerships, for example through the Cotonou Agreement and the Euromediterranean partnership, which allows for trade of audiovisual services.⁶

17. Finally, the EC did not commit to mode 1 in health related services. Despite this, evidence shows that various EC Member states do allow the provision of cross border trade in services related to health, termed e-health services, from the US and Canada.⁷

3. *Japan*

³ Analysis of Actual Liberalisation versus GATS Commitments of Quad Members: Mode 4 and Health Services, South Centre, June 2004 (SC/TADP/AN/SV/8).

⁴ WTO Trade Policy Review Mechanism: Canada, Report by the Secretariat, 12 February 2003 (WTO Document Code: WT/TPR/S/112).

⁵ COM (2003) 784 final. Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions: the Future of European Regulatory Audiovisual Policy, 15.12.2003.

⁶ Ibid.

⁷ UNCTAD/WHO (1998) International Trade in Health Services: A Development Perspective.

18. The most common mode 1 limitation placed by Japan is the requirement of commercial presence. This limitation essentially merges mode 1 with mode 3. The second common type of limitation found in Japan's mode 1 commitments is not binding due to a lack of technical feasibility.⁸
19. Furthermore, Japan has not committed to medical and dental services, veterinary services, services provided by midwives, nurses, physiotherapists and para-medical personnel, research and development services on natural sciences, educational services, interdisciplinary research and development services, rental/leasing services without operators relating to ships and aircrafts, and technical testing.
20. Despite not committing to health related services in mode 1, Canadian companies actively export telehealth services to Japan.⁹ Such trading activities go beyond Japan's GATS commitments and initial offers.
21. Japan has not committed to radio and television services. However, in its free trade agreement with Singapore, Japan has committed to cooperate on broadcasting services, which has the potential for increasing trade in this area.¹⁰
22. Maritime freight forwarding services are conditioned on an operation permit or governmental registration granted on a reciprocal basis in the GATS schedule. Despite these limitations, in its Trade Policy Review Mechanism conducted in 2002, the Japanese Maritime Bureau and the Ports and Harbour Bureau of the Ministry of Land, Infrastructure and Transport authorities stated that foreign participation in its international maritime services is open to foreign service providers.¹¹

4. *United States*

23. With regards to mode 1, the US has not committed to many service sub-sectors of export interest to developing countries in GATS. They include health related services (including medical and dental services, services provided by midwives, nurses, physiotherapists and para-medical personnel); software implementation services, data processing and data base services; and transport services such as maritime transport services.¹²

⁸ For some of these sectors and sub-sectors, such as hospital services, libraries and archives services, it can be shown that technical feasibility has been reached.

⁹ Chanda (2001) Trade in Health Services. Working Paper No.70, Indian Council for Research on International Economic Relations.

¹⁰ Press Statement on the Japan - Singapore Free Trade Agreement (JSFTA) Joint Study Report, Ministry of Trade and Industry, http://www.mti.gov.sg/public/NWS/frm_NWS_Default.asp?sid=38&cid=448

¹¹ WTO Trade Policy Review Mechanism: Japan, Report by the Secretariat, 9 October 2002 (WTO Document Code: WT/TPR/S/107).

¹² UNCTAD (2002) Services Performance in Developing Countries : Elements of the Assessment.

24. In the sectors it has committed in, the US has for the most part offered full commitments under mode 1. The only limitation on its horizontal commitment of mode 1 is not offering subsidies to foreign-service suppliers. The few limitations found in its sector specific commitments, are found under legal services; distribution services (specifically on wholesale trade of alcoholic beverages); insurance, banking and other financial services; and road and other supporting and auxiliary transport services.
25. The main forms of limitations are commercial presence, licensing, and residency/nationality requirements; higher license fees and “unbound” due to lack of technical feasibility. The remainder of this discussion aims to show that these limitations are, at times, confined only to the GATS schedules of commitments and initial offers and not with actual levels of liberalisation undertaken by the US.
26. The US is more liberal in cross border trade in services through its NAFTA commitments than in GATS. Firstly, the NAFTA chapter on cross border supply of trade in services makes national treatment, market access and the right of non-establishment obligatory to its members. Thus, for example, legal services in the US under NAFTA receive a higher level of liberalisation, since it does not require commercial presence as scheduled in GATS.
27. Furthermore, the US has placed limitations on its mode 1 commitments for banking and insurance services, while it is fully liberalised within NAFTA.
28. The US did not commit to liberalise its maritime transport or internal waterways transport services in GATS. The maritime transport service sector is regulated by the Jones Act. The Jones Act governs domestic water transport of merchandise and passengers between US ports. Though the Jones Act restricts vessel movement between US ports to vessels only built in the US and owned by US citizens, waivers from this restriction are available and foreign vessels have indeed navigated between US ports.¹³
29. Furthermore, the US does open its waters to foreign vessels through bilateral treaties of navigations. The US has signed treaties with around 40 countries and has not extended this access to all WTO Member countries through GATS.¹⁴

IV. TOURISM AND TRAVEL RELATED SERVICES

30. Trade in tourism is a major component of many developing country and especially LDC economies. The tourism service sector within GATS is complex and the GATS services classification list does not reflect the comprehensive nature of the sector. In order to address market access

¹³ “Impact of the Coastwise Trade Laws on the Transportation System of the United States of America” Statement by Dr. Elias R. Gutierrez, see <http://egp.rrp.upr.edu/Investigacion/ERGTRADE.htm>

¹⁴ Ibid.

opportunities for developing countries, the tourism sector must also include related services of computer reservation systems and air passenger transport services.¹⁵ Therefore the discussion on the tourism service sector involves these other specific services that are found outside of the tourism and travel related services sector GATS classification list.

31. Despite the fact that the GATS schedules of the Quad members show relatively liberal commitments in the tourism and travel related services sector, developing countries continue to face market entry barriers with their tourism industry. Quad countries do dominate essential features of the industry, such as computer reservation systems and concentrating market power in travel and tour operator agencies. The industry in general seems to be regulated more nationally and regionally.¹⁶
32. Developing countries and LDCs depend on computer reservation systems (CRS) for their tourism industries. CRS is used for travel reservations of international flight bookings, hotel, spas, resorts and other non-air tour packages. Major CRS systems are predominantly owned and managed by a small number of developed countries entities which in turn hold large market share and access. Many developed country governments have removed regulations that ensured equity in usage of CRS systems, especially for developing countries. As a result, developing countries and LDCs are facing unfair terms of access, such as through higher discriminatory fees, of CRS systems.
33. As mentioned above, air transport services are also an integral part of tourism services. Although the Annex on Air Transport Services does not apply to traffic rights or services directly related to the exercise of traffic rights it should not be forgotten that air passenger services are an integral part of the tourism industry in developing countries. The Quad members engage in liberal air transport passenger services arrangements outside the GATS regime through bilateral and multilateral air or “open skies” agreements. Thus, the Quad extends air transport access only to countries party to these non-WTO agreements.
34. Many of these non-WTO air service agreements control the communication services, such as CRS and global distribution systems, which are integral to tourism service sector.¹⁷ Thus, as long as air transport service liberalisation continue to remain outside of GATS and is not extended to all Members, developing countries and LDCs will not be able to fully benefit from liberalisation of the tourism and travel related service sectors.

¹⁵ The GATS Annex on Air Transport Services Article 3 states that the Agreement shall apply to measures affecting (a) aircraft repair and maintenance services; (b) the selling and marketing of air transport services; and (c) computer reservation system services.

¹⁶ Evans, P. (1999) Recent Developments in Trade and Competition Issues in the Services Sector: A Review of Practices in Travel and Tourism, UNCTAD Series on Issues in Competition Law and Policy.

¹⁷ Gauci, A. et al, Tourism in Africa and the Multilateral Trading System: Challenges and Opportunities, Draft Background Paper, Economic Commission for Africa.

35. Where possible this section has tried to focus on the CRS services, air transport services and travel/tour operator agency service liberalisations undertaken by the Quad members. However, information on assessing actual levels of liberalisation is challenging given that not much data exists on CRS practices, which are mostly in the hands of the private sector.

1. *Canada*

36. Canada has fully committed to CRS services, however, it did not commit to selling and marketing services under its commitments for air transport services. Canada's bilateral air agreements has caused it to take MFN exemptions on the selling and marketing of air transport services. Its bilateral air agreements provide for higher levels of liberalisation in air transport services than what is committed to in GATS.

37. Canada did not commit to passenger transportation services under the air transport sector. However, according to the latest WTO Trade Policy Review Mechanism conducted for Canada, it has in place 73 bilateral agreements and arrangements with various countries that provide for air transport access to a select group of countries.

2. *European Communities*

38. Despite committing and/or offering relatively liberal commitments in the tourism and travel related services, developing countries continue to face entry barriers particularly with travel agencies and tour operators into the market of the EC. Part of this is due to the fact that vertical integration of such service firms has resulted in a small number of operators dominating a large market share (and consumers).

39. Furthermore, travel agencies and tour operators are unbound in the movement of natural persons for six Member states.

40. With regards to CRS, several Member states have placed national treatment limitations on distribution of air transport services provided by parent carriers. Nevertheless, the EC has adopted regulations on anti-competitive practices of CRS. These regulations, however, apply only to countries with similar legislation (and not extended to all countries).¹⁸ Therefore, the EC discriminates among countries on which it ensures receives equitable participation in CRS services.

¹⁸ Diaz, D. *The Viability of Sustainability of International Tourism in Developing Countries*, WTO Symposium on Tourism Services, 22-23 February 2004.

41. Many EC Member states are also part of air services agreements with developing countries, which are at times tied to the provision of services by travel agents for example in the United Kingdom.¹⁹

3. *Japan*

42. Japan has scheduled a relatively liberal commitment for tourism services. It has fully committed to selling and marketing of air transport services and CRS services in all modes of supply.

43. Similar to the other Quad members, Japan is also engaged in air services liberalisation agreements, which includes passenger transportation services.

4. *United States*

44. The US did not commit to CRS or sales and marketing services in its GATS commitments under air transport services. However, the US has taken an MFN exemption on selling and marketing of air transport services and CRS services on its bilateral and other air service agreements. Thus, the US is engaged in a higher level of air transport liberalisation outside of the GATS regime.

45. The US Department of Transportation recently eliminated regulations on CRS systems. This deregulation was not sweeping and rules were maintained to prohibit display bias and unreasonable restrictive requirements for contracts between systems and airline customers. The revisions of these regulations were conducted to ensure competition among users and customers of the systems.²⁰ However, these regulations favoured developed country service providers more and did not resolve the anti-competitive practices faced by developing countries.²¹

46. With regards to air passenger transportation, the US has 59 bilateral air service agreements and one multilateral open skies agreement.^{22, 23} By liberalising air passenger transportation outside of GATS, the US is selective in who it extends its air access to.

¹⁹ Evans, P. (1999) Recent Developments in Trade and Competition Issues in the Services Sector: A Review of Practices in Travel and Tourism, UNCTAD Series on Issues in Competition Law and Policy.

²⁰ US Department of Transportation. Office of the Secretary. 14 CFR Part 255. Computer Reservation System Regulations. See <http://www.dot.gov/affairs/ComputerReservationsSystem.htm>.

²¹ Diaz, D. *The Viability and Sustainability of International Tourism in Developing Countries*, WTO Symposium on Tourism Services, 22-23 February 2001.

²² US Department of State. Open Skies Agreements. See <http://www.state.gov/e/eb/tra/c661.htm>

²³ Nine LDCs and around 40 developing countries are part of the US air service agreements.

V. CONCLUSION

47. The information presented in this note aims to show that Quad member countries do have the means to commit to a higher degree of liberalisation than is currently committed to in GATS with regards to cross border trade in services and tourism and travel related services. The discussion above has shown that in certain areas Quad members have chosen to liberalise outside the GATS. Although by a lesser degree when compared with mode 4 and health services (which was the discussion of the first note in this series²⁴), evidence still maintains that Quad members are selective and cautious in their liberalisation approach within the GATS regime.
48. In some instances, Quad members have abstained from committing within GATS in order to protect national policy space. This is seen with the EC and Canada and their omission of audiovisual services from GATS. This is in line with their objective to safeguard social and cultural values and maintain freedom to retain current and developing future policies in this area. This indicates that the EC and Canada may not trust the flexibilities in GATS to safeguard its policy objectives from a binding commitment.²⁵
49. Moreover, some Quad members are more comfortable with engaging in higher levels of services trade outside of the GATS regime for proximity reasons or similar economic development levels. There may be many and various additional reasons for why Quad members (and other countries) choose not to bind actual liberalisation levels in GATS. Although discussing these various reasons is outside the scope of this note, the main message to take away is that Quad members are not readily binding actual levels of liberalisation in GATS.
50. Therefore, in the same way that Quad members have chosen to be strategic and selective in binding their liberalisation levels in the WTO, so should developing countries and LDCs. Despite the insistence by developed countries on ensuring developing countries bind their existing levels of liberalisation, developing countries must approach this liberalisation process with caution for many important reasons. On the defensive stance, developing countries' service industries are at a lower state of development than in developed countries and therefore require ample room for growth and policy development and application. On the offensive stance, reciprocity by developed countries is clearly not occurring. This raises the important question as to whether it is beneficial for developing countries to commit liberalisation at deeper levels and a faster pace than developed countries.

²⁴ Analysis of Actual Liberalisation versus GATS Commitments of Quad Members: Mode 4 and Health Services, South Centre Analytical Note, June 2004 (SC/TADP/AN/SV/8).

²⁵ COM (2003) 784 final. Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions: the Future of European Regulatory Audiovisual Policy, 15.12.2003.

Table 1. This table provides a summary of select limited commitments and initial offers and non-commitments in mode 1 by Quad members compared to existing legislation and regimes of higher liberalisation levels.

| COUNTRY | LIMITATIONS IN GATS COMMITMENTS AND INITIAL OFFERS | ACTUAL LEVELS OF LIBERALISATION | HIGHER OF |
|---------|---|---|-----------|
| CANADA | <p><u>1. BUSINESS SERVICES</u></p> <p>A. Professional Services</p> <p><u>b) Accounting, auditing and book-keeping services</u></p> <p>5 provinces require commercial presence. For accreditation, Manitoba requires Canadian citizenship, and Alberta and Ontario require permanent residence.</p> <p><u>e) Engineering Engineers and f) Integrated Engineering Engineers</u></p> <p>For engineering and integrated engineering services, consulting services in Manitoba require commercial presence for accreditation.</p> <p>Non-consulting services in 5 provinces require permanent residence for accreditation.</p> <p><u>h. Medical and dental services, i. Veterinary services and j. Services provided by midwives, nurses, physiotherapists and para-medical personnel</u></p> <p>Not committed.</p> <p><u>2. COMMUNICATION SERVICES</u></p> <p>D. Audiovisual services</p> <p>Not committed.</p> <p><u>11. TRANSPORT SERVICES</u></p> <p>C. Air Transport Services</p> <p><u>a. Passenger transportation and b. Freight transportation</u></p> <p>Not committed.</p> | <ul style="list-style-type: none"> • Under NAFTA Canada is not allowed to require commercial presence of any kind for the supply of cross-border trade by a foreign service provider. • NAFTA calls for a two-year phase-out of any citizenship or permanent residency requirement for licenses and certifications • Canada does not restrict cross border supply of medical services. • Canada does not restrict foreign broadcasting • Canada allows foreign chartered air service providers market entry. | |

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| <p>EUROPEAN COMMUNITIES²⁶</p> | <p><u>1. BUSINESS SERVICES</u></p> <p>A. Professional Services:</p> <p><u>j. Services provided by nurses physiotherapists and paramedical personnel</u></p> <p>Unbound in 13 Member states.</p> <p>D. Audiovisual services</p> <p>Not committed.</p> | <ul style="list-style-type: none"> • Canadian and the US provide e-health services to Europe. • The EC has a trade deficit in its audiovisual service industry with the US providing the majority of foreign trade. In 2000, US services amounted to USD \$8 billion. • Through its Cotonou Agreement and Euromediterranean partnerships, the EC trades in audiovisual services. |
| <p>UNITED STATES</p> | <p><u>1. BUSINESS SERVICES</u></p> <p>A. Professional Services: a. Legal services</p> <p><u>Practices or through a qualified US lawyer:</u></p> <p>Service must be supplied by a natural person.</p> <p>Some states require maintenance of an in-state office or individual in-state residency for licensure.</p> <p><u>7. FINANCIAL SERVICES</u></p> <p>A. Insurance</p> <p><u>a. Life, accident and health insurance (except workers compensation insurance), b. Non-life insurance services, and c. Reinsurance and retrocession</u></p> <p>Government-owned or government-controlled insurance companies, whether foreign or US, are</p> | <ul style="list-style-type: none"> • Under NAFTA, legal service providers do not require maintenance of a commercial presence. • commercial presence cannot be a condition for providing cross border supply of services under the US-Australia Free Trade Agreement. • Under NAFTA, insurance services are fully liberalised in all US states. |

²⁶ The following are the abbreviations for each EC Member state: A = Austria; B = Belgium; I = Italy; D = Germany; IRL = Ireland; DK = Denmark; L = Luxembourg; E = Spain; NL = Netherlands; F = France; FIN = Finland; P = Portugal; GR = Greece; S = Sweden; and UK = United Kingdom.

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| | <p>not allowed in some states.</p> <p>Federal excise taxes (1% for life insurance premiums and 4% for non-life insurance premiums) coverage of US risks paid to non-US incorporated companies.</p> <p>A maritime vessel (whose hull was built under federally guaranteed mortgage funds) must demonstrate its risk was substantially offered in the US market if more than 50% of its value is insured by a foreign insurer.</p> <p>Insurance company incorporated in Nevada can only get reinsurance from an insurer admitted to Nevada.</p> <p>In Minnesota, insurers writing workers' compensation insurance must purchase reinsurance from Minnesota Workers' Compensation Reinsurance Authority.</p> <p>Provision of reinsurance for workers compensation is unbound in Maine.</p> <p>Total direct reinsurance of mutual life insurance companies with foreign companies unbound in Texas.</p> <p>B. Banking and other financial services except insurance</p> <p><u>All sub-sectors except as specifically provided elsewhere:</u></p> <p>Michigan limits, according to nationality, the banks in which corporate credit unions may place deposits.</p> <p><u>Trading of Securities and Derivative Products and Services Related Thereto, Participation in Securities Issues:</u></p> <p>Federal law prohibition on: futures and options contracts on onions; and options on futures contracts on onions in the United States, and related services.</p> <p>Unbound for authority to act as sole trustee of an indenture for a bond offering in the United States</p> <p>Unbound for use of simplified registration and</p> | <ul style="list-style-type: none"> • Under NAFTA, banking services are fully liberalised in all US states. |
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| | <p>periodic reporting forms for securities issued by small business corporations</p> <p><u>11. TRANSPORT SERVICES</u></p> <p>A. Maritime Transport Services, and B. Internal Waterways Transport</p> <p>Not committed.</p> | <ul style="list-style-type: none"> • The US has bilateral navigation treaties with over 40 countries that allow foreign vessels through its waters and between its ports. |
| <p>JAPAN</p> | <p><u>1. BUSINESS SERVICES</u></p> <p>A. Professional Services</p> <p><u>h. Medical and dental services, i. Veterinary services and j. Services provided by midwives, nurses, physiotherapists and para-medical personnel</u></p> <p>Not committed.</p> <p><u>2. COMMUNICATION SERVICES</u></p> <p>D. Audiovisual services</p> <p><u>c. Radio and television services and d. Radio and television transmission services</u></p> <p>Not committed.</p> <p><u>11. TRANSPORT SERVICES</u></p> <p>A. Maritime Transport Services: Maritime Auxiliary Transport Services</p> <p><u>Maritime freight forwarding services</u></p> <p>Conditioned on an operation permit or governmental registration granted on a reciprocal basis.</p> | <ul style="list-style-type: none"> • Japan engages in telemedicine cooperation with developing countries in the Asia-Pacific region. Canadian companies actively export telehealth services to Japan. • The Japan – Singapore Free Trade Agreement, in seeking to increase trade and investment liberalisation, will promote cooperation in broadcasting services amongst each other.²⁷ • The Japanese the Maritime Bureau and the Ports and Harbour Bureau of the Ministry of Land, Infrastructure and Transport maintains that foreign participation in international maritime services is not closed. |

²⁷ Joint Statement of the Japanese and Singapore Ministers at the Ministerial Review Meeting on the Agreement between Japan and the Republic of Singapore for a New-Age Economic Partnership, 11 December 2003. See <http://www.mofa.go.jp/region/asia-paci/singapore/jsepa0312.pdf>

Table 2. This table provides a summary of select limited commitments and offers and non-commitments in the tourism sector and air transport sector by the Quad members compared to side existing legislation and regimes of higher liberalisation levels.

| COUNTRY | LIMITATIONS TO COMMITMENTS AND INITIAL OFFERS | ACTUAL LEVELS OF LIBERALISATION |
|----------------------|--|--|
| CANADA | <p><u>10. TRANSPORT SERVICES</u></p> <p>C. Air transport services</p> <p><u>Selling and marketing of air transport services</u></p> <p>Not committed.</p> | <ul style="list-style-type: none"> • Canada has in place 73 bilateral agreements and arrangements which engage in the selling and marketing of air transport services. |
| EUROPEAN COMMUNITIES | <p><u>10. TRANSPORT SERVICES</u></p> <p>C. Air transport services</p> <p>Mode 4: For <u>sales and marketing</u>, Finland has no limitations on ICT and BV. CSS is unbound.</p> <p>Mode 1: For <u>sales and marketing</u>, distribution through CRS of air transport services provided by CRS parent carriers is unbound (NT limitation).</p> <p>Mode 3: For <u>sales and marketing</u>, distribution through CRS of air transport services provided by CRS parent carriers is unbound (NT limitation).</p> <p>Mode 1: For <u>computer reservation systems</u>, parent or participating carriers of a CRS controlled by an air carrier of one or more third countries is unbound (NT limitation).</p> <p>Mode 3: For <u>computer reservation systems</u>, parent or participating carriers of a CRS controlled by an air carrier of one or more third countries is unbound (NT limitation).</p> <p>Mode 4: For <u>computer reservation systems</u>, Finland has no limitations on ICT and BV. CSS is unbound.</p> | <ul style="list-style-type: none"> • Several EC Member states have bilateral air service agreements with developing countries. |
| JAPAN | <p><u>9. TOURISM AND TRAVEL RELATED SERVICES</u></p> <p>C. Tourist guide services</p> <p>Mode 1: unbound due to lack of technical feasibility.</p> | <ul style="list-style-type: none"> • ASEAN-Japan Joint Declaration on the Comprehensive Economic Partnership, in view of increasing trade amongst Members, has in place cooperation on tourism. |

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| | <p><u>10. TRANSPORT SERVICES</u></p> <p>C. Air transport services</p> <p>Did not commit to passenger transportation services.</p> | <ul style="list-style-type: none"> • Japan has bilateral air service agreements with various countries. |
| <p>UNITED STATES</p> | <p><u>10. TRANSPORT SERVICES</u></p> <p>C. Air transport services</p> <p>The US did not commit to the selling and marketing of air transport services and CRS services.</p> | <ul style="list-style-type: none"> • The US has around 40 open skies agreements with developing countries, which engages in the selling and marketing of air transport services and CRS services |

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